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IDENTICAL LETTERS DATED 1 OCTOBER 1998 FROM THE PERMANENT REPRESENTATIVE OF IRAQ TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL AND TO THE PRESIDENT OF THE SECURITY COUNCIL

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 30 September 1998 from the Vice-President and Acting Minister for Foreign Affairs of Iraq giving examples of the extravagant claims that have been submitted to the United Nations Compensation Commission in a manner incompatible with the relevant Security Council resolutions and for the purpose of seeking unjust enrichment at Iraq's expense.

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

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Annex

Identical letters dated 30 September 1998 from the Vice-President and Acting Minister for Foreign Affairs of Iraq addressed to the Secretary-General and to the President of the Security Council

I refer to the letter dated 22 July 1997 from Mr. Mohammed Said Al-Sahaf, Minister for Foreign Affairs of Iraq (S/1997/587, annex), in which examples were given of the category "F" claims (governmental claims) that had been submitted to the United Nations Compensation Commission and were set forth in the nineteenth report of the Executive Secretary to the Commission's Governing Council (S/AC.26/1997/R.7). In that report, information had been given on claims of which the least that can be said is that they were extravagant, were made on false pretences and lacked any legal basis. They were politically motivated and had the basic purpose of harming Iraq's people and its fundamental interests, impoverishing its national economy and seeking unjust enrichment at its expense. This amounts to deliberate insistence on bankrupting the Iraqi people and depriving it of its right to life and to development in violation of the most elementary norms of international law, the principles of justice and fairness and even the relevant Security Council resolutions. With regard to compensation, resolution 687 (1991), stipulates that account should be taken of the requirements of the people of Iraq, of Iraq's capacity to pay and of the needs of the Iraqi economy.

The Executive Secretary's twentieth report (S/AC.26/1997/R.13), twenty-first report (S/AC.26/1997/R.22) and twenty-second report (S/AC.26/1998/R.1) all contain examples of fantastic and inconceivable claims.

We cite, by way of example, from section II of the twenty-first report, entitled "Significant factual and legal cases", and from the items under the heading "Claims for losses arising in the tourism industry", as follows:

> "9. One claimant from the Netherlands is an incoming tour operator specializing in the organization of special interest tours throughout Europe. These tours were organized in the fields of sports, music, art and culture. The claimant alleges that it suffered a substantial decline in business during the period of Iraq's invasion and occupation of Kuwait. The claimant asserts that for the autumn and winter of 1990-1991 several pre-arranged tours were organized for clients from the United States. The claimant alleges that all the tours were cancelled because of the threat of military activity in the Persian Gulf region and the risk that United States citizens might be subject to terrorist attacks. The claimant seeks compensation for the loss of revenues and profit which it asserts would otherwise have been earned had the pre-arranged tours not been cancelled.
>
> "10. Another claim has been filed by a tour operator and travel agent from the Netherlands whose business primarily consisted of organizing holiday trips to Turkey. The claimant alleges that, as a result of Iraq's invasion and occupation of Kuwait, many Dutch clients cancelled their pre-arranged bookings for tours to Turkey because of Turkey's proximity to Iraq and concerns as to the personal security of tourists. The claimant further

alleges that despite the fact that its clients had cancelled their pre-arranged tours, it was still obliged to pay for guaranteed flight seats that it had pre-booked on a block basis with airlines prior to the invasion and occupation of Kuwait. The claimant seeks compensation for the loss of profits that it allegedly sustained as a result of Iraq's invasion and occupation of Kuwait."

We also cite two paragraphs from the Executive Secretary's twentieth report, as follows:

"47. Several claimants from Israel, mostly owners and operators of hotels, allege that between 2 August 1990 and 2 March 1991, as a direct result of the threat of Scud missiles being launched by Iraq against Israel and the risk that the country might be drawn directly into the conflict, tourism to all parts of Israel declined significantly and, in some cases, virtually ceased. Most such claimants have calculated their losses by comparing the average occupancy rates for the months preceding, covering and succeeding the period of the invasion. The claims are based on the alleged differences between expected and actual income earned during the relevant period.

"48. Some Israeli claimants also seek recovery for losses allegedly suffered during the months of March and April 1991, arguing that tourism in Israel did not revert to its pre-war level immediately after the cessation of hostilities."

These claims, some of which we have quoted, are like the other claims we quoted in our previous letter on this subject. They are motivated by the attempt to seek unjust enrichment at the expense of Iraq, which is irreconcilable with the provisions of the relevant Security Council resolutions. They form an endless concatenation and have no rational limit, in violation of the norms of international law and the international precedents, and their acceptance would give free play to untrue or exaggerated allegations. As we have said before, it is astonishing that the United Nations Compensation Commission should give consideration to frivolous and extravagant claims such as these.

I request you to have this letter circulated as a document of the Security Council.

(Signed) Taha Yasin RAMADAM
Vice-President of the Republic
Acting Minister for Foreign Affairs